

Message Text

UNCLASSIFIED

PAGE 01 THE HA 04447 091120Z

43

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15

USIA-15 ACDA-19 IO-15 DRC-01 /132 W

----- 050688

R 091059Z OCT 73

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 2135

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

UNCLAS THE HAGUE 4447

E.O. 11652: N/A

TAGS: EFIN, NL

SUBJECT: DUISENBERG REBUKE ON REVALUATION SPECULATION

1. ACCORDING TO PRESS REPORTS MINFIN DUISENBERG "ANGRILY REPROACHED" SOCIAL-ECONOMIC COUNCIL CHAIRMAN SCHOUTEN DURING OCTOBER 4 MEETING ON 1974 WAGE NEGOTIATIONS FOR LATTER'S PUBLIC SPECULATION ON NEED FOR FURTHER REVALUATION OF GUILDER. DUISENBERG WAS QUOTED AS SAYING THAT SUCH PROPHECIES COULD MAKE REVALUATION INESCAPABLE, AND THAT IF FURTHER REVALUATION OCCURS, IT WOULD BE "DEATH BLOW" TO GON COUNTERINFLATION PROGRAM AND LEAD TO TEN THOUSAND UNEMPLOYED.

2. COMMENT: THOUGH LOOSE TALK ABOUT EXCHANGE RATES COULD PROVE SELF-FULFILLING OVER TEXTENDED PERIOD, OUR BANKING SOURCES DISCOUNT LIKELIHOOD OF GUILDER REVALUATION UNLESS AND UNTIL THERE IS FURTHER AND SUBSTANTIAL UPWARD MOVEMENT IN
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 THE HA 04447 091120Z

D-MARK. CENTRAL BANK IS CURRENTLY INTERVENING ON SWAP BASIS

IN SUPPORT OF SPOT, 30-DAY AND 60-DAY DOLLARS, BUT THIS IS
ATTRIBUTED MORE TO DOMESTIC SHORTAGE OF GUILDER LIQUIDITY
(SEE HAGUE 4398) THAN TO REVALUATION SPECULATION. ONGOING
WAGE/PRICE NEGOTIATIONS, SUCCESS OF WHICH IS VITAL TO DEN UYL
GOVERNMENT'S COUNTERINFLATIONARY PROGRAM, MAKE NEW REVALUATION
ESPECIALLY UNATTRACTIVE TO DUISENBERG AT THIS POINT.
TANGUY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DOLLAR, CENTRAL BANK, WAGES, FOREIGN EXCHANGE RATES, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 09 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973THEHA04447
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731042/aaaabfbw.tel
Line Count: 68
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: collinp0
Review Comment: n/a
Review Content Flags:
Review Date: 12 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12-Sep-2001 by phillir0>; APPROVED <28-Jan-2002 by collinp0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DUISENBERG REBUKE ON REVALUATION SPECULATION
TAGS: EFIN, NL
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005